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ABSTRACT

In order to affect accountability within individual school districts, there needed to be some system that would give direction and precedent to those responsible. A ready-made system that had a foothold in private industry was management by objectives (MBO). Rather than being a new principle of management, MBO simply has a different emphasis. It concentrates on objectives to reach specific desired results. Decisions regarding activities and uses of resources are left more to those responsible for meeting the goals. Many subtle differences have crept into the operation of the system. Regardless of these differences, basic to every system are the setting of goals or objectives and the conducting of an evaluation. Maintenance, development, and personal realms are appropriate areas for setting objectives. Evaluation may be of subordinates, superiors, or self. A system of appraisal should involve all three approaches. There have been problems in adapting MBO to education and in implementing it. How successful it will be in the long run depends on the way it is implemented. (Author/IRT)

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Management By Objectives *

Some years ago, schools were generally accepted by the public, not only as being highly valuable to society, but also with little question as to the use made of the resources entrusted to the schools or the results obtained. Increasing public concern over the effectiveness and efficiency of schools has, more recently, prompted cries for accountability. While there have been wide discrepencies in what various persons and groups feel this accountability to be, (1) the following statement by the Center for the Study of Evaluation at UCLA encompasses the most commonly accepted basic elements of accountability: "...a negotiated relationship in which the participants agree in advance to accept specified rewards and costs on the basis of evaluation findings as to the attainment of specified ends." (2)

By October 1974, public demand had prompted 27 states to want legislation geared to make schools more accountable. (3)

In one of the first of these states, California, the passage of the Stull Bill placed classroom teachers and administrators alike in a position of being held accountable. (4)

In order to affect accountability within individual school districts, there needed to be some system which would give both direction and precedent to those responsible. One of the ready-made accountability systems which had already established a foothold in industry was Management by Objective. Following Peter Drucher's introduction of this concept in 1954 in The Practice of Management, (5) MBO, as it came to be known, grew slowly and, at first, only in the private sector. It wasn't until after the federal government accepted the MBO system for managing HEW that it gained any momentum in the public sector. (6)

Since then, such institutions as The American Management Association have trained numerous persons from the education community, principally at state education department levels, in the use of MBO. (7) The infusion of MBO downward through the educational community has progressed slowly, however.

Perhaps the most complete definition of MBO comes from two statements which must be considered together. The first has been taken from a publication of the East Allen County Schools in New Haven, Indiana.

"The management by objective process is one in which the managers of an organization jointly identify common goals, define each individual's major area of responsibility in terms of results expected, and use these measures as guides for operating the unit and assessing the contributions of each of its members. In other words, MBO serves as a systematic process for determining organizational direction and evaluating results through the identification, clarification, and communication of mutually accepted and carefully defined goals and objectives throughout the school system." (8)

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To complete the picture, the following definition from Peter Coleman's Evaluating Performance of School District Administrators is needed:

"The subordinate assumes personal responsibility for his own performance as measured against clearly understood goals.

The superior assumes a helping, rather than a controlling stance, and seeks ways of assisting the subordinate achieve his personal goals, and hence the desired results for the organization." (9)

Rather than being a new principle of management, MBO simply has a different emphasis. It concentrates on objectives to reach specific desired results. (10) Decisions regarding activities and uses of resources are left more to those responsible for meeting the goals.

The responsibility for achieving these results rests jointly upon the supervisor and subordinate. Rigorous attention given to specificity and evaluation is on the basis of performance. (11)

In operating the system, many subtle differences have crept in which are evident in the manner in which various praccioners describe the implementation of MBO. The following eight major management areas which have been identified by East Allen County Schools as being part of the MBO process tend to be person centered: planning, performance appraisal, individual motivation, coordination, control, supervisory relationships, individual development, and a total system of management. (12)

In a presentation to the Regional Interstate Project Workshop in Helena, Montana in July of 1971, Ray E. Klawahn, Educational Planning Director of the Center for Planning and Development, stressed the criteria necessary to manage by objectives:

1. An understanding of the leadership function within an organization.
2. The establishment of a process whereby decisions are made.
3. The results desired are clearly defined.
4. The tasks necessary to reach the results are identified.
5. Persons to perform the tasks and the parameters under which they will operate are spelled out.
6. There is regular monitoring with indicated modifications in the operation being effected to maintain progress toward the achievement of the goals. (13)

Arnold Finch of the Fresno Unified School District emphasizes the decision making process in his ordering of MBO steps:

1. determing what should be done and in what priority
2. determining how it should be done
3. defining when it should be done
4. identifing the resources needed
5. deciding what constitutes satisfactory programs
6. determining the degree to which the objective is being accomplished
7. deciding if and what corrective action is needed.

The first four Finch describes as being the planning functions, while the last three are the controlling function. (14)

Booz, Allen and Hamilton, Inc., a management consultant firm, stress a long term sequence in implementing MBO:

1. Identification of objectives by the State Board of Education
2. Determination of five-year goals to accomplish these objectives by the state superintendent
3. Development of a five-year plan to reach these objectives at the unit, section, office, and division levels
4. Definition of specific one-year plans by various levels of the education departments
5. Identification of criteria by which to evaluate progress at various levels
6. Review of the results by department officials at the end of the time periods. (15)

Terrell Bell, former U. S. Commissioner of Education, concentrates 9 of 13 steps in managing an MBO system on planning and developing objectives:

1. assess needs of organization
2. identify priority needs
3. system wide review of list
4. feedback used to revise list

5. individual schools assess own needs in light of needs on revised list

6. school staffs prepare written objectives for their schools

7. supervisors and principals review written objectives in terms of available resources

8. school staffs revise objectives in light of review with supervisors

9. develop by schools action plans including time line, tasks, etc.

10. plan implemented

11. regular monitoring of plan

12. evaluation at the end of the year (16)

13. development of new M.B.O cycle

Regardless of different points of view in implementing M.B.O., basic to every system is the setting of goals or objectives and conducting an evaluation. Both in laboratory demonstrations and in field studies, the act of setting clear goals has generally resulted in better task performance than when goals have not been specified (17)

To be viable in an M.B.O. system these goals must:

1. support accountability

2. be measurable (qualitatively or quantitatively)

3. be attainable

4. represent a commitment between people within the organization

5. be referenced to a particular time period (18)

The more complete the objectives are, the more likely they are to be attained. In his original book on M.B.O., Peter Druecher wrote:

> "Objectives are needed in every area where performance and results directly and vitally affect the survival and prosperity of the business."

The areas appropriate for objectives may be described as maintenance, developmental, and personal. Maintenance objectives are the generally repetitious ones, necessary for the continued functioning of the organization. Developmental objectives are those demanding: (1) problem solving to correct some malfunctioning aspect of maintenance objectives or (2) creativity to improve or expand program results. Personal objectives are developed to enhance his/her own knowledge and abilities and/or career growth (20)

The other element present in all M.B.O . systems is that of evaluation. Because of the phrase,management by objectives ignores evaluation, several writers have suggested changes in the name to make it more inclusive of the total process which they feel should be represented. George Morrisey, a management counsultant, has suggested that M.B.O. should become M.O.R., Management by Objectives and Results. (21)

Stephen Knezevich, Dean of the School of Education at USC, has coined an acronym, MBO/R to add the dimension of Results to Management by Objectives. (22)

In any school system today, some evaluation is inevitable. Most frequently directed at administrators, this evaluation is made by staff, board, community, and students. What is different in an M.B.O. system is that objective rather than subjective evaluation is encouraged, based upon the job description and mutually defined objectives. (23)

Evaluation in an M.B.O. system is results oriented with the following characteristics:

1. Eliminates trait and activity analysis approach to evaluation.
2. Requires considerable datae pertaining to the results.
3. Fixes personal responsibility for the achievement of specific objectives.
4. Requires considerable skill in developing good objectives for persons and positions.
5. Provides information on results actually achieved.
6. Provides a basis for determining quality of personnel performance.
7. Can become an objective means for determining merit salary increase. (24)

These characteristics approach the ideal evaluation scheme as defined by Patrick Rooney from the Ventura Unified School District.

1. Evaluation is necessary and desirable in any school district.
2. The purpose of evaluation is to improve the effectiveness of an individual so he/she can improve the effectiveness of the district.
3. The evaluation of personnel should correspond to the aims of the organization.
4. The most effective evaluation system is mutually developed by the person being evaluated.
5. Personnel evaluation should include a statement of what person is to accomplish and evidence that is has been accomplished. (25)

Evaluation may take place in these directions: from superior to subordinate, from subordinate to superior, and self-evaluation. (26) Where possible, a system of appraisal should involve all three directions.

Evaluation has typically been a rating process. A properly instituted evaluation system goes far beyond merely rating. It should be a joint venture involving both the supervisor and the person being appraised. It should be conducted in a fair and impartial manner to promote a desire for self-improvement and increased efficiency. In order to accomplish this the East Allen County Schools claim any viable appraisal system must:

1. contain clear objectives and criteria
2. be purposeful
3. not produce undue anxiety
4. be planned cooperatively
5. be constructive
6. be continuous
7. provide guidance to employee
8. be primarily concerned with skills and behavior
9. recognize the superior-subordinate relationship
10. recognize the individual as being unique
11. evaluate effectiveness in terms of general and specific objectives and the job expectations. (27)

It is evident that, in a M.B.O. system, the focus is not on the quality or efficiency of a list of activities, but rather on validating progress towards agreed upon outcomes. According to Roland Goddu in Evaluation in a Management by Objectives System, the steps in such a system include:

1. agreement on a mission statement
2. agreement on the parameters under which the persons concerned will work
3. agreement on programs to reach the mission
4. agreement on the present status of the organization
5. development of expectationa and/or standards
6. negotiation with persons providing the funding for what is required in the project
7. reports on the results. (28)

Patrick Rooney points out that, since communication is essential, several conferences should be held throughout the year between the evaluator and person being evaluated. The initial planning conference should be held prior to October 15, at which administrators outline tentative objectives for themselves. The following conference, held between October 15 and November 15, should be used to establish mutual objectives. Another conference, held no later than February 15, is to review progress and make any mid-course corrections indicated then. No later than 30 days before the end of the year, a conference with a written report and a review of progress to determine the degree to which objectives have been met should be held. Finally, in a conference to be held no later than 15 days before the end of the year, the evaluator presents his review of the results and recommendations. (29)

Dr. Rooney continues by summarizing the elements necessary for effective evaluation:

1. evaluation must be geared toward district goals and the benefit of pupils
2. administration must support the evaluation system
3. the goal must be improving performance
4. evaluation should be based upon objective observation of the various evaluators
5. there must be cooperation between the person evaluating and person being evaluated
6. areas of need should be pointed out with an appropriate period of time allowed for improvement. (30)

In isolated instances where M.B.O. has been instituted, an integral part of the program is tying the evaluation results to salary.

A number of studies cited by Hunady and Varney indicate that performance tends to be higher when it is related to the reward system. As an example, they describe a system in which:

1. anyone whose performance is at or below a cutoff point of 85% will be removed from the job
2. anyone performing below 95% of the goal would receive no merit pay raise
3. anyone performing at 95% or more would receive a one percent raise for each percentage point over 94%

The system is predicated upon the ability of those involved to set fair goals. (31)

East Allen County Schools in New Haven, Indiana, have instituted a program whereby administrative personnel are paid on the basis of the results of an approved system. The plan provides for an extra 3% in pay for meritorius performance up to 15% above a ceiling level attained after five years in the district. (32)

For three years the Dubuque, Iowa Community School District administrators have been paid on point system including a performance appraisal factor which accounted for from 7.3 to 10.3% of their total salary. The administrators working in the system have reacted with varied feelings. Some feel the performance factor has inhibited a free flow of information among principals, while others feel the system provides an opportunity for them to be compensated for being industrious and innovative. One has stated: "The major obstacle to overcome is not the mechanics of a performance-based salary system, but the psychological reactions of the individuals involved." (33)

In Fresno Unified School District an actual contract is developed between the building principal and a central administrator. In this contract, a series of district goals are defined in terms of specific management objectives for the school. Each specific objective is further defined in terms of monitoring, resources to be provided, review dates, and other information. (34)

The belief a supervisor holds as to the basic nature of man largely determines his approach to M.B.O. The oldest approach was that it was necessary to "control" the "untrustworthy, self-centered and greedy man." Responding to man's social needs is appropriate when man is viewed not, as an individual, but as a member of a group. Assistance and guidance are required when man is viewed as being self-motivated and threatened by outside control. More and more, supervisors have recognized that the uniqueness of individuals requires varying supervisory behavior. (35)

As originally conceived and practiced, M.B.O. was primarily used as a means for improving communication, training and development. In time, however, a number of M.B.O. operations overemphasized the mechanical aspects of M.B.O. and neglected the personal needs of individuals working in the system. There was a return to the "control" method of supervision.

The best documental failures of M.B.O. seem to have resulted from a preoccupation with the mechanics while ignoring the people involved. (36)

Other M.B.O. failures have been attributed partially or completely to:

1. Looking to M.B.O. as a miracle cure for long term problems.

2. Attempting to initiate M.B.O. too quickly.

3. Allowing a large volume of paperwork to replace quality and precision in measurement in evaluation.

4. Concentrating on objectives which can prompt ignoring other aspects of the job.

5. Constantly raising standards to the point of demoralizing employees.

6. Failure to be specific in formulating objectives and failure to provide good measurement of them at the conclusion.

7. Establishing new lines of communication without developing the necessary skills in talking and listening.

8. Lack of communication and control has prompted two groups to attack the same problem independently.

9. Concentrating on techniques of MBO rather than on results

10. Not trusting subordinates or believeing in the worth of their ideas and opinions (37)

Teacher organizations have traditionally opposed any management system, MBO included, which relies upon the use of objectives. (38)

In a paper delivered to the Annual Meeting of the American Vocational Association, Milo P. Johnson rejected the idea that management by objectives was appropriate for evaluating the performance of teachers, administrators, or any other employees of a school district with the possible exception of the superintendent. Mr. Johnson cited external constraints which were beyond the control of individuals within schools as making an accurate evaluation of performance impossible. (39)

Even the proponents of MBO in schools are quick to admit it presents unique problems not found in industry.

Is MBO The Way to Go?, a publication by the NEA, points out more specific factors which could cause the failure of MBO.

1. Objectives are handed down to persons who have no opportunity to participate in their shaping.

2. Adaptations of business oriented MBO for education fail to recognize basic differences:

   a. ownership is by public rather than private concerns

   b. responsibility is to a Board of Education and general public rather than those of business

   c. competition is not the factor in public schools that it is in business

   d. goals in education are more general than those of business

   e. schools have less control over the publics which they serve

   f. criticism of schools is keener than that of business

   g. the products of schools are more difficult to measure and describe

   h. public schools don't enjoy the privateness in operating which businesses do

   i. public schools are required to be more responsive to social needs than are businesses

   j. opportunities for various types of employee rewards don't exist in schools as they do in industry

k. research and development is practically non-existent in schools

l. technological innovations are not as widespread in schools

m. schools do not place the emphasis on public relations that businesses do

n. change is more difficult in schools

3. employees are not trained in management skills necessary to adequately participate in MBO

4. Because of the limitation of words as a means for expressing complex ideas, objectives are difficult to construct to convey exact meanings

5. The measurement of many objectives is extremely difficult

6. Lock step learning can be encouraged by MBO. (40)

Even John Humble, who has been among the most energetic advocates of MBO, has acknowledged that in adapting MBO to the nonprofit sector, problems were evident:

1. results were not so easy to quantify

2. the relationship between administrators and governing boards were entirely different

3. value judgments of the general public are the ultimate authority. (41)

Perhaps, more than anything else, the problems in adapting MBO to the private sector arise out of the differing natures of the goods and purposes of these two different kinds of organizations. Industry deals with easily qualifiable objects; schools with ambiguous people. A major purpose in any industry is profit; in education more abstract ends. In industry, side effects are simply mechanical problems to be dealt with. In schools, the side effects may become far more injurious than the goal beneficial. (42)

How successful MBO will be in the long run ultimately depends upon the way in which it is implemented. If one or more groups involved within a school system don't feel it can or want it to work, then in all probability, it will not. Where people enter into MBO with erroneous concepts of what it can accomplish or without sufficient preparation, then again, it is then, in all likelihood, doomed to failure. The real question to be answered is, "What will happen if MBO is initiated in a school where there is a high level of committment to the approach by all involved, and sound judgment is exercised in putting the concept into practice?"

To attain committment and to insure sound judgment requires that all those involved have some definite understanding:

1. of the potential of MBO

2. of the situation where MBO is to be employed

3. that the purposes for which MBO is being introduced are sound

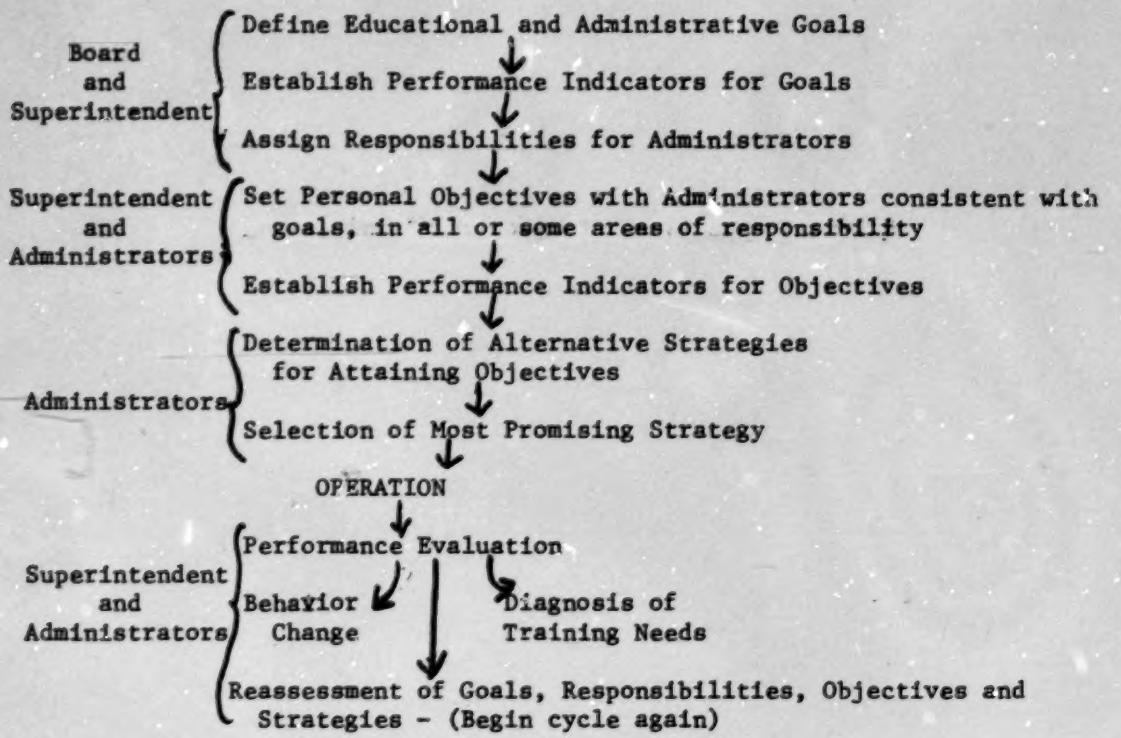
4. that the implementation of MBO is to be done with care and patience

5. that the MBO system will not be implemented until there is a high degree of committment. (44)

Stephen Knezevich offers the following flow chart to illustrate the roles and responsibilities of various persons in implementing and operating an MBO system in education.

Knezevich 1972

Implementing and Operating an MBO Scheme in the Administration of a School District


Board and Superintendent
Define Educational and Administrative Goals
Establish Performance Indicators for Goals
Assign Responsibilities for Administrators
Superintendent and Administrators
Set Personal Objectives with Administrators consistent with goals, in all or some areas of responsibility
Establish Performance Indicators for Objectives
Administrators
Determination of Alternative Strategies for Attaining Objectives
Selection of Most Promising Strategy
OPERATION
Superintendent and Administrators
Performance Evaluation
Behavior Change
Diagnosis of Training Needs
Reassessment of Goals, Responsibilities, Objectives and Strategies - (Begin cycle again)

Assistance should then be offered in such ways as:

1. direct in-class help
2. outside consultant help
3. peer referral, matching strength to weaknesses
4. the collection and development of professional resource materials
5. extensive inservice staff development programs. (46)

Inservice programs are necessary to develop the skills to participate in MBO and to assist persons to reach their MBO objectives. Possible sessions appropriate to this development include:

The Rationale for MBO
Preparation of Objectives
Alternative Activities to Reach Objectives
Criterion Referenced Evaluation
Preparation of Objectives in the Affective Domaine
Preparation of Objectives in the Psycho-Motor Domaine
Affective Development
Strategies for Affective Development
Humanizing Objectives
Record Keeping
Cultural Diveristy
Alternative Grouping, Independent Study, Small Group and Large Group
Classroom Management Techniques
A Systems Approach to Personnel Management and Evaluation
MBO and Performance Based Evaluation
The Supervisor-Subordinate Relationship: The Helper Role
Motivation Strategies
Monitoring Techniques
Leadership Styles and Their Effects on MBO
Communication Skills (47)

In MBO the focus is on continuous growth, not attempting to correct bad situations. It concentrates on what has been agreed upon as being most important; defines individual's priorities jointly rather than allowing individuals to be guided only by own interests; makes the supervisor an active party in achieving growth in schools; eliminates conflicts in people's perceptions about what they ought to be doing. Properly instituted, the process can produce greater organizational efficiency and well-being for individuals within the organization. (48)

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